

**Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services**

STATEMENT OF BASIS

**Regency Gas Services, LLC
Regency Gas Services, LLC – Mainline Compressor Station
Bryceland, Bienville Parish, Louisiana
Agency Interest Number: 31581
Activity Number: PER20080002
Proposed Permit Number: 3068-V0**

I. APPLICANT

Company:

Regency Gas Services, LLC
401 Edwards Street, Suite 1320
Shreveport, Louisiana 71101

Facility:

Mainline Compressor Station

Highway 9, 2.7 miles south of Bryceland
Bryceland, Bienville Parish, Louisiana
UTM Coordinates: 502.00 kilometers East and 3586.00 kilometers North, Zone 15.

II. FACILITY AND CURRENT PERMIT STATUS

Mainline Compressor Station is a natural gas transmission facility (SICC 4922) located on Hwy 9, approximately 2.7 miles south of Bryceland, Louisiana in Bienville Parish. The station boosts natural gas pressure to move the gas further along the pipeline system toward a power plant downstream. Collected condensate are stored in tanks and then shipped out. The station is a designated Part 70 source and currently operating under Permit 0360-00051-V3, dated July 25, 2008.

III. PROPOSED PROJECT/PERMIT INFORMATION

Application

A permit application dated July 3, 2008 and additional information dated July 25, 2008 were submitted requested a Part 70 operating permit for a compressor unit.

Project

Regency Gas Services, LLC requests a Title V permit for a proposed 1050 horsepower compressor system. The engine will be fueled by natural gas while its emissions will be controlled by a catalytic converter.

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Regency Gas Services, LLC – Mainline Compressor Station
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Proposed Permit

This permit (Permit 3068-V0) is a preconstruction and operating for the Compressor Unit C-11.

Permitted Air Emissions (tons/year)

Pollutant	Permitted
PM ₁₀	0.34
SO ₂	0.02
NO _x	5.06
CO	20.26
VOC, total	2.29

IV REGULATORY ANALYSIS

The applicability of the appropriate standards is straightforward and provided in the Specific Requirements section of the proposed permit. Similarly, the Monitoring, Reporting and Recordkeeping necessary to demonstrate compliance with the applicable terms, conditions and standards are also provided in the Specific Requirements section of the proposed permit.

Applicability and Exemptions of Selected Subject Items

The explanations for the non-applicability and exemptions of selected subject items are listed in Table XI of the proposed permit.

Prevention of Significant Deterioration/Nonattainment Review

Emissions of criteria pollutants from the station are less than the PSD major source threshold. PSD review is not required.

Streamlined Equipment Leak Monitoring Program

The permit does not include any Streamlined Equipment Leak Monitoring Program.

MACT Requirements

The facility is a minor source of Toxic Air Pollutants (TAPs) pursuant to LAC 33:III.Chapter 51. State MACT is not required. The proposed engine is subject to 40 CFR 63 Subpart ZZZZ and 40 CFR 60 Subpart JJJJ. The engine will comply with 40 CFR 63 Subpart ZZZZ (federal MACT) by complying with 40 CFR 60 Subpart JJJJ.

Air Quality Analysis

Emissions were reviewed by the Air Quality Assessment Division to ensure compliance with the NAAQS and AAS. The proposed project did not require the applicant to model emissions.

General Condition XVII Activities

The facility will comply with the applicable General Condition XVII Activities emissions as required by the operating permit rule. However, General Condition XVII Activities are

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not subject to testing, monitoring, reporting or recordkeeping requirements. For a list of approved General Condition XVII Activities, refer to the Section VIII – General Condition XVII Activities of the proposed permit.

Insignificant Activities

All Insignificant Activities are authorized under LAC 33:III.501.B.5. For a list of approved Insignificant Activities, refer to the Section IX – Insignificant Activities of the proposed permit.

V. PERMIT SHIELD

This permit does not contain any permit shield.

VI. PERIODIC MONITORING

To demonstrate compliance with applicable standards, NOX and CO emissions from the engine is tested, using EPA approved methods, and monitored annually.

VII. GLOSSARY

Carbon Monoxide (CO) – A colorless, odorless gas, which is an oxide of carbon.

Maximum Achievable Control Technology (MACT) – The maximum degree of reduction in emissions of each air pollutant subject to LAC 33:III.Chapter 51 (including a prohibition on such emissions, where achievable) that the administrative authority, upon review of submitted MACT compliance plans and other relevant information and taking into consideration the cost of achieving such emission reduction, as well as any non-air-quality health and environmental impacts and energy requirements, determines is achievable through application of measures, processes, methods, systems, or techniques.

Hydrogen Sulfide (H₂S) – A colorless inflammable gas having the characteristic odor of rotten eggs, and found in many mineral springs. It is produced by the reaction of acids on metallic sulfides, and is an important chemical reagent.

New Source Review (NSR) – A preconstruction review and permitting program applicable to new or modified major stationary sources of air pollutants regulated under the Clean Air Act (CAA). NSR is required by Parts C (“Prevention of Significant Deterioration of Air Quality”) and D (“Nonattainment New Source Review”).

Nitrogen Oxides (NO_x) – Compounds whose molecules consist of nitrogen and oxygen.

Organic Compound – Any compound of carbon and another element. Examples: Methane (CH₄), Ethane (C₂H₆), Carbon Disulfide (CS₂)

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Part 70 Operating Permit – Also referred to as a Title V permit, required for major sources as defined in 40 CFR 70 and LAC 33:III.507. Major sources include, but are not limited to, sources which have the potential to emit: ≥ 10 tons per year of any toxic air pollutant; ≥ 25 tons of total toxic air pollutants; and ≥ 100 tons per year of regulated pollutants (unless regulated solely under 112(r) of the Clean Air Act) (25 tons per year for sources in non-attainment parishes).

PM₁₀ – Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by the method in Title 40, Code of Federal Regulations, Part 50, Appendix J.

Potential to Emit (PTE) – The maximum capacity of a stationary source to emit any air pollutant under its physical and operational design.

Prevention of Significant Deterioration (PSD) – A New Source Review permitting program for major sources in geographic areas that meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. PSD requirements are designed to ensure that the air quality in attainment areas will not degrade.

Sulfur Dioxide (SO₂) – An oxide of sulfur.

Sulfuric Acid (H₂SO₄) – A highly corrosive, dense oily liquid. It is a regulated toxic air pollutant under LAC 33:III.Chapter 51.

Title V Permit – See Part 70 Operating Permit.

Volatile Organic Compound (VOC) – Any organic compound, which participates in atmospheric photochemical reactions; that is, any organic compound other than those, which the administrator of the U.S. Environmental Protection Agency designates as having negligible photochemical reactivity.

PUBLIC NOTICE
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (LDEQ)
REGENCY GAS SERVICES, LLC
MAINLINE COMPRESSOR STATION – COMPRESSOR C-11
PROPOSED INITIAL PART 70 AIR OPERATING PERMIT

The LDEQ, Office of Environmental Services, is accepting written comments on the Proposed Initial Part 70 Air Operating Permit for Regency Gas Services, LLC, 401 Edwards Street, Suite 1320, Shreveport, LA 71101 for their Mainline Compressor Station - Compressor C-11. **The facility is located on LA Highway 9, 2.7 miles south of Bryceland, Bienville Parish.**

Regency Gas Services, LLC requested a Part 70 Air Operating (Title V) Permit for a proposed 1050 horsepower compressor system to be located at their Mainline Compressor Station, a natural gas transmission facility. The engine will be fueled by natural gas while its emissions will be controlled by a catalytic converter.

This permit was processed as an expedited permit in accordance with LAC 33:I.Chapter 18.

Emissions from the project in tons per year are as follows:

Pollutant	Permitted
PM ₁₀	0.34
SO ₂	0.02
NO _x	6.08
CO	20.26
VOC, total	2.57

A technical review of the working draft of the proposed permit was submitted to the facility representative and the LDEQ Surveillance Division. Any remarks received during the technical review will be addressed in the "Worksheet for Technical Review of Working Draft of Proposed Permit". All remarks received by LDEQ are included in the record that is available for public review.

Written comments, written requests for a public hearing or written requests for notification of the final decision regarding this permit action may be submitted to Ms. Soumaya Ghosn at LDEQ, Public Participation Group, P.O. Box 4313, Baton Rouge, LA 70821-4313. **Written comments and/or written requests must be received by 12:30 p.m., Monday, September 22, 2008.** Written comments will be considered prior to a final permit decision.

If LDEQ finds a significant degree of public interest, a public hearing will be held. LDEQ will send notification of the final permit decision to the applicant and to each person who has submitted written comments or a written request for notification of the final decision.

The permit application, proposed permit, and the Statement of Basis are available for review at the LDEQ, Public Records Center, Room 127, 602 North 5th Street, Baton Rouge, LA. Viewing hours are from 8:00 a.m. to 4:30 p.m., Monday through Friday (except holidays). **The available information can also be accessed electronically on the Electronic Document Management System (EDMS) on the DEQ public website at www.deq.louisiana.gov.**

Additional copies may be reviewed at the Bienville Parish Library, Headquarters Library, 2768 Maple Street, Arcadia, LA 71001-3699.

Inquiries or requests for additional information regarding this permit action should be directed to Dan Nguyen, LDEQ, Air Permits Division, P.O. Box 4313, Baton Rouge, LA 70821-4313, phone (225) 219-3075.

Persons wishing to be included on the LDEQ permit public notice mailing list or for other public participation related questions should contact the Public Participation Group in writing at LDEQ, P.O. Box 4313, Baton Rouge, LA 70821-4313, by email at deqmaillistrequest@la.gov or contact the LDEQ Customer Service Center at (225) 219-LDEQ (219-5337).

Permit public notices including electronic access to the proposed permit and statement of basis can be viewed at the LDEQ permits public notice webpage at www.deq.louisiana.gov/apps/pubNotice/default.asp and general information related to the public participation in permitting activities can be viewed at www.deq.louisiana.gov/portal/tabid/2198/Default.aspx.

Alternatively, individuals may elect to receive the permit public notices via email by subscribing to the LDEQ permits public notice List Server at http://www.doa.louisiana.gov/oes/listservpage/ldeq_pn_listserv.htm.

All correspondence should specify AI Number 31581, Permit Number 3068-V0, and Activity Number PER20080002.

Scheduled Publication Date: Thursday, August 14, 2008, in The Bienville Democrat-Record (Arcadia) & in The Advocate (Baton Rouge)

BOBBY JINDAL
GOVERNOR



HAROLD LEGGETT, Ph.D.
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
ENVIRONMENTAL SERVICES

JUL 15 2008

CERTIFIED MAIL
7005 0390 0006 1030 2864

Agency Interest No. 31581
Permit No. 3068-V0
Activity No. PER20080002

Mr. Martin Anthony
Regency Gas Services, LLC
401 Edwards Street, Suite 1320
Shreveport, LA 71101

**RE: Mainline Compressor Station, Engine C-11 Application
Administrative Completeness Determination and Public Notice for Publication**

Dear Mr. Anthony:

The Office of Environmental Services received your application for an initial Title V air permit on July 14, 2008. As of the date of this letter, the application, along with any additional information submitted to date, has been determined to be administratively complete and has been assigned to the Petrochemical Section, Group 3. Please note that the Department may require additional information if technical deficiencies are found at a later date.

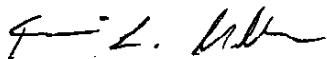
Pursuant to LAC 33: I.1505.A.4, within 30 days after receipt of this letter of administrative completeness, the applicant shall publish a notice, provided by the Department, of the completeness determination in a major local newspaper of general circulation and submit proof of publication to the Department. Please publish the enclosed public notice once in the *Bienville Democrat-Ringgold Record*. The proof of publication should be mailed to Jerri Muller at this Office.

In addition, Section 2018 of the Environmental Quality Act requires certain permit applications to contain an environmental assessment statement (I.T. questions). "Simultaneously with the submission of the statement to the department, the applicant must also submit copies of the statement to the local governmental authority and designated public library where the facility is located, at no cost to the local governmental authority or the designated public library."

Within 30 days from the date of this letter, please provide confirmation for our records to indicate that this required task has been accomplished for the application you submitted on July 14, 2008. Included in the confirmation must be the date the statement was mailed or delivered, the name of the entity to which the statement was mailed or delivered, and affirmation that the statement that was mailed or delivered is the same as the statement that was submitted to the department as part of the permit application.

If you have any questions, please call me at (225) 219-3286.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jerri L. Muller", written in a cursive style.

Jerri Muller
Environmental Project Specialist
Permit Application Administrative Review Group

Enclosure

c: IO-A

PUBLIC NOTICE
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (LDEQ)
Regency Gas Services, LLC Mainline Compressor Station, Engine C-11
ADMINISTRATIVE COMPLETENESS DETERMINATION

The LDEQ, Office of Environmental Services, has reviewed a Title V air permit application from Regency Gas Services, LLC, 401 Edwards Street, Suite 1320, Shreveport, LA 71101 for the Mainline Compressor Station, Engine C-11 and determined that it is administratively complete. The application was received on July 14, 2008. **The facility is located Hwy 9 W 2.7 Miles S of Bryceland, Bienville Parish.**

Regency Gas Services, LLC - Mainline Compressor Station, proposes to install an additional compressor engine.

Inquiries or requests for additional information regarding the administrative completeness review of this application should be directed to Jerri Muller, LDEQ, Environmental Assistance Division, P. O. Box 4313, Baton Rouge, LA 70821-4313 or at 225-219-3286.

Persons wishing to be included on the LDEQ permit public notice mailing list or for other public participation related questions should contact the Public Participation Group in writing at LDEQ, P.O. Box 4313, Baton Rouge, LA 70821-4313, by email at deqmaillistrequest@ldeq.org or contact the LDEQ Customer Service Center at (225) 219-LDEQ (219-5337).

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Alternatively, individuals may elect to receive the permit public notices via email by subscribing to the LDEQ permits public notice List Server at http://www.doa.louisiana.gov/oes/listservpage/ldeq_pn_listserv.htm.

All correspondence should specify AI Number 31581, Permit Number 3068-V0, and Activity Number PER20080002.

BOBBY JINDAL
GOVERNOR



HAROLD LEGGETT, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
ENVIRONMENTAL SERVICES

Certified Mail No.: 7005 0390 0006 1030 2888

Martin Anthony
Vice President of Commercial
Regency Gas Services, LLC
401 Edwards Street, Suite 1320
Shreveport, Louisiana 71101

RE: **Expedited Permit Processing Request, Regency Gas Services, LLC**
Mainline CS Compressor Engine C-11
Bryceland, Bienville Parish, Louisiana
TEMPO Activity No.: PER20080002
Agency Interest No.: 31581

Dear Mr. Anthony:

The Department received your request dated July 3, 2008, on July 14, 2008, for expedited permit review in accordance with LAC 33:I.Chapter 18. After review of your request for an initial Title V permit, a preliminary review of the application received July 14, 2008, the workforce available for expedited processing, and the current fee status and compliance history for Regency Gas Services, LLC, the Department hereby approves your request for expedited processing. Your requested date for final permit decision is as soon as possible. While the Department will endeavor to process your permit application within this timeframe, approval of a request for expedited permit processing in no way guarantees issuance of the permit action or issuance by the date requested.

Please be advised that this approval is contingent upon timely submittal of information in response to requests for additional permit application information in accordance with LAC 33:I.1803.D. This approval may be withdrawn or suspended as outlined in LAC 33:I.1803.D.3 or in the event that Departmental resources are such that the request can no longer be processed as an expedited permit.

After the Department has made a final determination on the permit application, you will receive a bill for the full amount owed to the Department for this expedited permit action.

Please include reference to the Agency Interest (AI) No. 31581 and TEMPO Activity No. PER20080002 in all future correspondence regarding this permitting action.

If you have any questions or need additional information concerning the permit application, please contact Dan Nguyen, the permit writer assigned to this action, at (225) 219-3075. For questions related to billing, please contact Darryl Serio at (225) 219-3865.

Handwritten signature of Cheryl Sonnier Nolan.

Cheryl Sonnier Nolan
Assistant Secretary

Handwritten signature dated 18 July 2008.

CSN:JLM



STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
Office of Environmental Services • Environmental Assistance Division
Post Office Box 4313 • Baton Rouge, LA 70821-4313
Customer Service: 225-219-LDEQ (5337) or Toll Free 1-866-896-LDEQ (5337)

original to LOA
copy to Bu Peto/Kup/Truc
Nguyen

REQUEST FOR EXPEDITED PERMIT PROCESSING

PER 20080002

This form is to be submitted when an applicant requests consideration for expedited processing of permits, modifications, licenses, registrations, or variances in accordance with LAC 33:1. Chapter 18. Submission of this form shall in no way constitute approval of the expedited permit request. The Office will notify the applicant in writing of the decision to expedite processing of the requested permit application. **ALL INFORMATION MUST BE PROVIDED. Please submit one form for each activity for which expedited processing is requested.**

SECTION I - FACILITY INFORMATION									
Agency Interest (AI) #		31581			Permit # (if permitted)			0360-00051-V2	
					Date Permit Application Submitted			7/8/2008	
Media	<input checked="" type="checkbox"/> Air		Type of Permit Action	<input checked="" type="checkbox"/> New Facility		<input type="checkbox"/> Modified Facility			
	<input type="checkbox"/> Water			<input type="checkbox"/> General Permit		<input type="checkbox"/> Variance			
Note: Solid and Hazardous Waste applications cannot be expedited.				<input type="checkbox"/> License/Certification		<input type="checkbox"/> Registration			
				<input type="checkbox"/> Renewal w/Modification		<input type="checkbox"/> Water Quality Certification			
Owner / Operator Name		Regency Gas Services, LLC							
Facility Name		Mainline CS Compressor Engine C-11							
Mailing Address		Street	401 Edwards Street, Suite 1320						
		City	Shreveport			State	LA	Zip	71101
Technical Contact Available After Normal Work Hours		Name	Mike Perryman						
		Phone	(318) 677-5555						
		Cell Phone	()						
		Fax	(318) 677-5560						
		E-mail	mike.perryman@regencygas.com						
SECTION II - EXPEDITED PERMIT INFORMATION									
1. How many new permanent jobs will result from this permit action?						0			
2. Date requested for final permit decision						or		<input checked="" type="checkbox"/> As soon as possible	
3. Is construction activity proposed in permit application?						<input checked="" type="checkbox"/>		<input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Does the applicant owe any outstanding fees to LDEQ?						<input type="checkbox"/> Yes <input checked="" type="checkbox"/>		<input type="checkbox"/> No	
If you answered "Yes" to No. 4, above, attach explanation to this form.									
5. Is there a limit to the amount you are willing to pay to expedite the permit?						<input type="checkbox"/> Yes <input checked="" type="checkbox"/>		<input type="checkbox"/> No	

If you answered "Yes" to No. 5, above, please read and complete the following:

I understand that if such a maximum amount is requested, the number of overtime hours a department employee or contractor works processing the permit, modification, license, registration, or variance shall be limited accordingly. If further processing of the document is required, the department's continued review will not be in accordance with the provisions of this Chapter, and the request will no longer be handled on an expedited basis. I understand that the department will charge a fee for the expedited processing which was performed. (LAC 33:1.1805).

I wish to limit the expedited permit fee to: \$ 5000

Provide the basis or need for this expedited permit request.

Permit is needed as soon as possible in order for Regency to accommodate the increase in natural gas production in the area.

SECTION III - PUBLIC NOTICE

Public notice of all expedited permit processing will be provided in accordance with LAC 33:1.1809.A.

SECTION IV - CERTIFICATIONS

Check the appropriate box regarding pending enforcement actions and lawsuits.



I certify that as owner/operator I am not subject to any pending state or federal enforcement actions, including citizen suits brought under state or federal law for the subject facility or any other facility I own or operate.

or



I am currently subject to pending state or federal enforcement actions, including citizen suits brought under state or federal law for the subject facility or any other facility I own or operate.

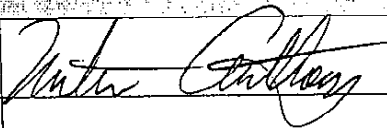
Please read and complete the following:

I, as the duly authorized responsible official for the subject facility, certify in accordance with LAC 33:1.1803.C, that should additional information be required to complete the permit process, all requested information will be provided within the timeframes specified by the department.

I understand that:

- If the requested information is not provided within the timeframes specified, or if the limit I have indicated as a maximum amount to be paid for expedited processing is reached, the Department reserves the right to cease processing the permit, modification, license, registration, or variance as an expedited permit.
- If the department ceases expedited permit processing, I will be billed for the expedited processing that occurred in accordance with LAC 33:1.1805.B.
- There is no guarantee that a final permit decision will be issued by the date I have requested.
- The submittal of this request does not release me from liability for any violations related to this activity or the Environmental Quality Act.
- A permit may be required prior to any construction at the site, operation of the proposed activity or commencement of discharges from this proposed activity, and I should refer to media-specific regulations for this information.

Signature of Responsible Official



Title

Vice President of Commercial

Printed Name

Martin Anthony

Date

7-3-08

NOTIFICATION OF APPROVAL FOR EXPEDITED PERMIT PROCESSING

To: Darryl Serio
Administrator
Financial Services Division

From: Cheryl Nolan
Assistant Secretary
Office of Environmental Services

Company Name	Regency Gas Services, LLC
Facility Name	Mainline CS Compressor Engine C-11
AI #	31581
TEMPO Activity #	PER20080002
Permit #	3068-V0
Date Application Received	July 14, 2008
Date Expedited Review Approved	July 18, 2008
Permit Writer Assigned	Dan Nguyen
Date Assigned to Permit Writer	July 15, 2008
Permit Writer Phone #	225-219-3075
Supervisor	James Davies
Supervisor's Phone #	225-219-3046
Date Final Decision Requested	ASAP

Has the company requested an Expedited Fee Cap?

☐ No

☒ Yes,

\$ 5,000.00

FOR FINANCIAL SERVICES' USE ONLY DO NOT WRITE IN THIS SPACE			
Reporting Category # Assigned		WP	
Max # OT Hrs Allowed		Excel	
Assigned by		ISIS	
Date Assigned		Notify	

This is the test worksheet. The "wildcard" is %. Refresh sheet to put in new Resp Entity Name.

Parish	Master Ai Id	ENF Number	ENF Type	WAL Status	Master Ai Name	Resp Entity Name	Issued Date
Lincoln	23331	AEN060190	NOV	Closed	Dubach Facility	Regency Gas Gathering & Processing	24-JAN-2007